



Rep. Monique D. Davis

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LRB098 09262 MGM 42477 a

1 AMENDMENT TO HOUSE BILL 2406

2 AMENDMENT NO. _____. Amend House Bill 2406 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Banking Act is amended by changing
5 Section 47 as follows:

6 (205 ILCS 5/47) (from Ch. 17, par. 358)

7 Sec. 47. Reports to Commissioner.

8 (a) All State banks shall make a full and accurate
9 statement of their affairs at least 1 time during each calendar
10 quarter which shall be certified to, under oath by the
11 president, a vice-president or the cashier of such bank. If the
12 statement is submitted in electronic form, the Commissioner
13 may, in the call for the report, specify the manner in which
14 the appropriate officer of the bank shall certify the statement
15 of affairs. The statement shall be according to the form which
16 may be prescribed by the Commissioner and shall exhibit in

1 detail information concerning such bank at the close of
2 business of any day the Commissioner may choose and designate
3 in a call for such report. Each bank shall include in its
4 quarterly statement (i) a list of all loans given to minority
5 owned businesses in the last quarter and (ii) the ethnicity of
6 the majority of owners of those businesses. Each bank shall
7 deliver its quarterly statement to the location specified by
8 the Commissioner within 30 calendar days of the date of the
9 call for such reports. If the quarterly statement is mailed, it
10 must be postmarked within the period prescribed for delivery,
11 and if the quarterly statement is delivered in electronic form,
12 the bank shall generate and retain satisfactory proof that it
13 has caused the report to be delivered within the period
14 prescribed for delivery.

15 (b) In addition to the foregoing reports, any bank which is
16 the victim of a shortage of funds in excess of \$10,000, an
17 apparent misapplication of the bank's funds by an officer,
18 employee or director, or any adverse legal action in an amount
19 in excess of 10% of total unimpaired capital and unimpaired
20 surplus of the bank, including but not limited to, the entry of
21 an adverse money judgment against the bank or a write-off of
22 assets of the bank, shall report that information in writing to
23 the Commissioner within 7 days of the occurrence. Compliance
24 with the time frames prescribed by the United States Department
25 of Treasury's Financial Crimes Enforcement Network shall be
26 deemed compliance with this Section. Neither the bank, its

1 directors, officers, employees or its agents, in the
2 preparation or filing of the reports required by subsection (b)
3 of this Section, shall be subject to any liability for libel,
4 slander, or other charges resulting from information supplied
5 in such reports, except when the supplying of such information
6 is done in a corrupt or malicious manner or otherwise not in
7 good faith.

8 (Source: P.A. 92-483, eff. 8-23-01.)

9 Section 10. The Illinois Credit Union Act is amended by
10 changing Section 9 as follows:

11 (205 ILCS 305/9) (from Ch. 17, par. 4410)

12 Sec. 9. Reports and examinations.

13 (1) Credit unions shall report to the Department on forms
14 supplied by the Department, in accordance with a schedule
15 published by the Department. A recapitulation of the annual
16 reports shall be compiled and published annually by the
17 Department, for the use of the General Assembly, credit unions,
18 various educational institutions and other interested parties.
19 A credit union which fails to file any report when due shall
20 pay to the Department a late filing fee for each day the report
21 is overdue as prescribed by rule. The Secretary may extend the
22 time for filing a report. Each credit union in the State shall
23 include in its report (i) a list of all loans given to minority
24 owned businesses in the last year and (ii) the ethnicity of the

1 majority of owners of those businesses.

2 (2) The Secretary may require special examinations of and
3 special financial reports from a credit union or a credit union
4 organization in which a credit union loans, invests, or
5 delegates substantially all managerial duties and
6 responsibilities when he determines that such examinations and
7 reports are necessary to enable the Department to determine the
8 safety of a credit union's operation or its solvency. The cost
9 to the Department of the aforesaid special examinations shall
10 be borne by the credit union being examined as prescribed by
11 rule.

12 (3) All credit unions incorporated under this Act shall be
13 examined at least biennially by the Department or, at the
14 discretion of the Secretary, by a public accountant registered
15 by the Department of Financial and Professional Regulation. The
16 costs of an examination shall be paid by the credit union. The
17 scope of all examinations by a public accountant shall be at
18 least equal to the examinations made by the Department. The
19 examiners shall have full access to, and may compel the
20 production of, all the books, papers, securities and accounts
21 of any credit union. A special examination shall be made by the
22 Department or by a public accountant approved by the Department
23 upon written request of 5 or more members, who guarantee the
24 expense of the same. Any credit union refusing to submit to an
25 examination when ordered by the Department shall be reported to
26 the Attorney General, who shall institute proceedings to have

1 its charter revoked. If the Secretary determines that the
2 examination of a credit union is to be conducted by a public
3 accountant registered by the Department of Financial and
4 Professional Regulation and the examination is done in
5 conjunction with the credit union's external independent audit
6 of financial statements, the requirements of this Section and
7 subsection (3) of Section 34 shall be deemed met.

8 (4) A copy of the completed report of examination and a
9 review comment letter, if any, citing exceptions revealed
10 during the examination, shall be submitted to the credit union
11 by the Department. A detailed report stating the corrective
12 actions taken by the board of directors on each exception set
13 forth in the review comment letter shall be filed with the
14 Department within 40 days after the date of the review comment
15 letter, or as otherwise directed by the Department. Any credit
16 union through its officers, directors, committee members or
17 employees, which willfully provides fraudulent or misleading
18 information regarding the corrective actions taken on
19 exceptions appearing in a review comment letter may have its
20 operations restricted to the collection of principal and
21 interest on loans outstanding and the payment of normal
22 expenses and salaries until all exceptions are corrected and
23 accepted by the Department.

24 (Source: P.A. 97-133, eff. 1-1-12.)

25 Section 99. Effective date. This Act takes effect upon

1 becoming law.".